

LETTER BY CENTRAL INTELLIGENCE AGENCY DIRECTOR WILLIAM  
WEBSTER TO REP. LES ASPIN, CHAIRMAN OF THE HOUSE FOREIGN AFFAIRS  
COMMITTEE

Topic: The impact of sanctions against Iraq

Dated: January 10, 1991

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The Washington Post \_\_\_\_\_  
The New York Times \_\_\_\_\_  
The Washington Times \_\_\_\_\_  
The Wall Street Journal \_\_\_\_\_  
The Christian Science Monitor \_\_\_\_\_  
New York Daily News \_\_\_\_\_  
USA Today \_\_\_\_\_  
The Chicago Tribune \_\_\_\_\_  
Date 10 Jan 1991

Dear Mr. Chairman:

This is in response to your letter of January 9, 1991, in which you ask for an updated assessment of the impact of the sanctions on Iraq and on the policies of Saddam Hussein subsequent to my testimony before your committee in December. In that testimony, as you accurately noted, I observed that the sanctions were effective technically and that they were being felt economically and eventually would be felt militarily in some areas. I also testified that there was no evidence that sanctions would mandate a change in Saddam Hussein's behavior and that there was no evidence when or even if they would force him out of Kuwait.

You now ask me to: (1) address the impact of the sanctions on the economy and populace of Iraq and on the operational effectiveness of its military if left in place for another six to 12 months; (2) address the question of how Iraq's defensive abilities might be affected by the sanctions on the one hand and by having additional time to prepare on the other if sanctions are allowed to work for another six to 12 months; and (3) address the likelihood that sanctions, again if left in place for another six to 12 months, could induce Iraq to withdraw from Kuwait.

UN sanctions have shut off nearly all Iraq's trade and financial activity and weakened its economy, but disruptions in most sectors are not serious yet. The impact of the sanctions has varied by sector. The most serious impact so far has been on the financial sector, where hard currency shortages have led Baghdad to take a variety of unusual steps to conserve or raise even small amounts of foreign exchange. For the populace, the most serious has been inflation.

The ability of the Iraqi ground forces to defend Kuwait

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and southern Iraq is unlikely to be substantially eroded over the next six to twelve months even if effective sanctions can be maintained. This is especially true if Iraq does not believe a coalition is likely during this period. Iraq's infantry and artillery forces--the key elements of Iraq's initial defense--probably would not suffer significantly as a result of the sanctions. Iraq can easily maintain the relatively simple Soviet-style weaponry of its infantry and artillery units and can produce virtually all of the ammunition for these forces domestically.

Moreover, these forces will have additional opportunity to extend and reinforce their fortifications along the Saudi border, thereby increasing their defensive strength. Iraq's armored and mechanized forces will be degraded somewhat from continued sanctions. The number of inoperable Iraqi armored and other vehicles will grow gradually and the readiness of their crews will decline as Baghdad is forced to curb its training activities. On balance, the marginal decline of combat power in Baghdad's armored units probably would be offset by the simultaneous improvement of its defensive fortifications. While the military, especially the army, has been protected from the impact of sanctions by stockpiling and minimal usage, during a military action the impact would be more profound as equipment and needed parts are expended.

Iraq's Air Force and air defenses are likely to be hit far more severely than its Army, if effective sanctions are maintained for another six to twelve months. This degradation will diminish Iraq's ability to defend its strategic assets from air attack and reduce its ability to conduct similar attacks on its neighbors. It would have only a marginal impact on Saddam's ability to hold Kuwait and southern Iraq. The Iraqi air force is not likely to play a major role in any battle for Kuwait.

In December, during my appearance before the House Armed Services Committee, I noted that while we can look ahead several months and predict the gradual deterioration of the Iraqi economy, it is more difficult to assess how or when these conditions will cause Saddam to modify his behavior. Our judgment remains that, even if sanctions continue to be enforced for an additional six to 12 months, economic hardship alone is unlikely to compel Saddam to retreat from Kuwait or cause regime-threatening popular discontent in Iraq. The economic impact of sanctions is likely to be increasingly serious, with conspicuous hardships and dislocations. Nevertheless, Saddam currently appears willing to accept even a subsistence economy in a continued attempt to outlast the international resolve to maintain the sanctions, especially if the threat of war recedes significantly. He probably continues to believe that Iraq can endure sanctions longer than the international coalition will hold and hopes that avoiding war will buy him time to negotiate a settlement more favorable to him.

We have seen little hard evidence to suggest that Saddam is politically threatened by the current hardships endured by the populace. Moreover, Saddam has taken few actions that would indicate he is concerned about the stability of his regime.

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Assessing the populace's flash point is difficult, but we believe it is high because Iraqis have borne considerable hardship in the past. During the eight-year war with Iran, for example, Iraq endured a combination of economic difficulties, very high casualties, and repeated missile and air attacks on major cities without any serious public disturbances.